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Function No. 20000 - General Accounting	TOPIC MOVING AND RELOCATION
Section No. 20300 - Cash Disbursements Accounting	DATE 11/1/93

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OVERVIEW

The intent of these regulations is to provide general rules, guidelines, and specific limitations for agencies when reimbursing personnel for relocating their household to accommodate the Commonwealth. They are to assist agencies in moving and relocating employees and their families as expeditiously as possible and at a fair and reasonable cost to the Commonwealth.

POLICY

If an agency elects to provide moving and relocation reimbursement, it must do so within the maximum limitations and restrictions provided herein. No agency is required by these regulations to provide such reimbursement for moving and relocation expenses, and may restrict the amount provided to a lesser sum than the maximum allowed, either in total or by category. Due to financial and fiscal constraints and other agency personnel considerations, each agency is authorized to supplement these regulations provided that the Reimbursement Limitations, Subsection 300, are not exceeded, and such supplements do not constitute deviation from provisions of the reimbursement guidelines established by the Comptroller pursuant to Section 2.1-227 of the Code of Virginia.

It is the agency's responsibility to comply with the Internal Revenue Services (IRS) regulations. After December 31, 1993, all moving and relocation reimbursements, with the exceptions of moving household goods and personal affects and traveling to the new place of residence, must be included in the employee's gross income on the Federal W-2 form. Until 12/31/93, agencies should comply with current IRS rules for treatment of taxable income. (Refer to CAPP Topic No. 50510, "Special Payments," for answers to questions concerning reimbursement through payroll.) Adherence to IRS moving and relocation regulations for income reporting and tax deduction and reporting applies to all agencies, even when non State (local) funds are used. (See Subsection 600, "IRS Reporting.")

These regulations apply to all agencies, institutions, positions, and employees of the Commonwealth, except employees who do not qualify for moving and relocation reimbursement, such as those paid on an hourly or daily basis and others specifically exempt by Order of the Governor or by Acts of the General Assembly. In instances where an exemption exists, documentation of this exemption should accompany the request for reimbursement.

Discretion is advised at all times when incurring and reporting expenditures of public funds. State employees are always expected to exercise prudent judgement and expenditures must be able to sustain the test of public review. Realizing the need to administer to individual situations and at the same time apply these regulations in an equitable and competitive manner, agency management should take necessary steps to ensure that all reimbursements are thoroughly documented and reviewed in every case before being approved for payment.

Moving and relocation is on a reimbursement basis only. All reimbursements, except common carrier or temporary storage, must be processed through CIPPS. **Reimbursements through other processes, such as the petty cash reimbursement process, are not allowed.**

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PROCEDURES

100 Definitions

Agency	Any agency, commission, department, division, institution, board, council, or other organization of the Commonwealth of Virginia operating from State funds.
Agency Head or Designee	The officially designated individual who directs the daily operations of any agency of the Commonwealth.
Carrier Transportation	Services performed by a common carrier transportation company (such as: loading, hauling, crating, and unpacking) and incidental materials supplied in moving the employee's household goods and personal effects.
Common Carrier	Any licensed commercial moving company.
Days	All references to "days" refer to calendar days.
Family	Includes any spouse or dependent who resides in the household and moves to the new location.
Moving	Actions to change a place of primary and permanent residence .
Moving Expenses	Expenditures for transporting the employee, family, household goods, and personal effects from the former residence to the new work location.
Personal Residence	House, condominium, townhouse, or rental property (e.g., apartment, flat) where the employee's primary household is maintained on a permanent basis.
Primary Household	Household goods and personal effects which are maintained at the employee's main place of residence.
Relocation	The process of assigning, establishing, and/or settling in a particular place for employment purposes.
Relocation Expenses	Expenditures other than moving expenses incurred in the process of relocating the employee and family.
State Employee	Any elected, appointed, salaried, or classified employee of a State agency or institution.
State Funds	Any funds deposited with the State Treasurer, whether derived from appropriations or agency receipts.

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PROCEDURES (Continued)

100 Definitions (Continued)

Tenure Agreement

An agreement to remain in the employment of the Commonwealth from the first day in the new position until twelve (12) months thereafter. This agreement must be signed prior to incurring expenses.

Temporary Quarters

Temporary quarters are defined as lodging or housing in which the employee lives at a reasonable cost, until a permanent residence is secured, or up to a maximum of 90 days. Temporary quarters could consist of any type of lodging or housing, such as hotels/motels, apartments, or single family dwellings.

200 Eligibility

The eligibility of any employee for reimbursement of moving and relocation expenses involves agency discretion. Each agency has the authority to approve or disapprove expense reimbursements resulting from valid relocations subject to the regulations set forth herein. The agency is responsible for notifying employees of any limitation of scope or agency policy which may effect the eligibility for reimbursement.

201 Employee

The employee must be a salaried employee of a State agency in a regular full-time position.

202 Relocation

To be eligible for reimbursement, the employee's relocation must meet **all** of the following conditions:

1. At Employer's Request

The relocation must be at the request of the employing agency and for the good of the Commonwealth as determined by the Agency Head.

Expenses will not be reimbursed when the relocation is at the request of, or for the convenience of the employee.

2. Distance

Effective January 1, 1994, the distance between the employee's new work location and the former residence must be at least fifty (50) miles greater than the distance between the employee's old work location and the former residence. That is, the employee's commuting distance must have increased by at least fifty (50) miles one way. For example, if the original commuting distance from the former residence to the old work site was 10 miles, the new work site must be at least 60 miles (10 miles original commuting distance plus the 50-mile increase) from the former residence. Until December 31, 1993, the distance measurement is 35 miles.

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PROCEDURES (Continued)

200 Eligibility (Continued)

202 Relocation (Continued)

Special consideration may be given by the State Comptroller for relocations which require the employee to establish a new residence in a specific geographical location when commuting distance is not increased by 50 miles. See Subsection 309, "Approvals and Exceptions," for exception requests.

3. Permanent

The employee must satisfactorily maintain employment on a regular full-time basis in State service for at least one year, commencing on the date that the employee starts work on a regular basis at the new location. The tenure condition must be documented in the Employment Tenure Agreement in accordance with the policy established in Subsection 307, "Employment Tenure Agreement."

300 Reimbursement Limitations

301 Expenses Incurred and Supported

Any expenditure to be reimbursed must be reasonable, necessary, incurred after the employee executes an employment tenure agreement (see Subsection 307, "Employment Tenure Agreement") and reported to the Agency head or designee within twelve (12) months of the date the employee starts work at the new location. In any case where an agency requires the transfer of an employee and whose circumstances result in allowable expense being submitted for reimbursement after the twelve (12) months may be approved by the Agency Head or Designee for up to an additional twelve (12) months.

Househunting Expenses

Househunting expenses include the following for employee and spouse while traveling:

- cost of transportation (including car rental);
- meals; and
- lodging.

Travel expenses for househunting purposes are eligible for reimbursement in accordance with CAPP Topic No. 20335, "State Travel Regulations." The number of trips for househunting that are reimbursable is limited to three (3) trips for the employee and three trips for the spouse. The maximum number of nights of lodging that are to be reimbursed is fifteen (15). A night of combined lodging for both the employee and spouse counts as one night.

Temporary Quarters

Reimbursement for reasonable lodging or rent may be claimed for a period of ninety (90) days from the first day of work at the new location. Reasonable Residential Parking fees will be reimbursed during the 90 days of temporary quarters. Expenses for meals may be claimed for the first thirty (30) days of residence in temporary quarters. Such expenses must be reasonable, necessary, and in accordance with CAPP Topic No. 20335, "State Travel Regulations."

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PROCEDURES (Continued)

300 Reimbursement Limitations (Continued)

301 Expenses Incurred and Supported (Continued)

Home Sale

Actual expenses of real estate commissions on the sale of the former principal residence and those customary closing and legal costs incurred in the sale of that residence, as listed below, shall be reimbursable. Reimbursement for home sale expenses is limited to \$11,000, as outlined in Subsection 302, "Total Reimbursement." A copy of the "Closing Statement," signed by either the closing attorney, the realtor, or the seller, must be included as supportive documentation when requesting reimbursement.

The following expenses related to the sale of the principal residence due to moving and relocation are reimbursable:

- Actual expense of real estate commission;
- Attorney fees;
- Escrow fees;
- State or local transfer taxes; and,
- Pest inspections.

The following expenses are not reimbursable:

- Sales commissions and similar expenses if the employee acts as a selling agent (closing and legal costs are allowed);
- Advertising and "Fix-up" costs;
- Loss sustained on sale of residence;
- Real estate and capital gains taxes;
- Payment and repayment of interest;
- Points or loan payment charges that are negotiable;
- "Carrying" costs (maintenance fees, utilities, principal, etc.);
- Mortgage penalties; and,
- Buyer's closing costs, including Virginia fees.

Cancellation of Lease

The settlement of a lease in the former residence is reimbursable if the settlement is due to moving and relocation.

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PROCEDURES (Continued)

300 Reimbursement Limitations (Continued)

301 Expenses Incurred and Supported (Continued)

Travel (Move to new job location and househunting)

Travel related to moving and relocation are eligible for reimbursement according to CAPP Topic No. 20335, "State Travel Regulations," and are limited to:

- The initial trip, after employment to the new duty station;
- Trips for actual househunting; and,
- The trip to bring the family to the new residence (temporary or permanent).

Travel reimbursement does not include automobile rental, except for househunting purposes.

Transportation of Household Goods and Personal Effects

The actual costs paid for common carrier transportation of the employee's household goods and personal effects from the former principal residence to the residence at the new work location are reimbursable. If the new employee uses common carrier transportation, the amount of actual costs is allowed in addition to the \$11,000 limitation. (See Subsection 302, "Total Reimbursement.")

The employee is required to obtain three (3) bids for common carrier transportation. The lowest of the three (3) bids should be used for the moving of personal effects from the former residence. Copies of the three (3) bids should be provided to the agency prior to a formal commitment to utilize the common carrier.

When at all possible, the employee should utilize a common carrier based in Virginia. When outside of the Commonwealth of Virginia, employees should contact Virginia common carriers to inquire if they are able to match the bid submitted by the out-of-state firms.

If the employee chooses to move himself/herself, the amount of the actual costs allowed will be included in the limitation. The following actual costs are reimbursable, within the \$11,000 total limitation, with appropriate documentation:

- **Moving vehicle rental** - moving van, truck, trailer, hand truck, or other appropriate moving equipment, vehicles, and supplies are reimbursable with rental company receipt. Purchase of such a vehicle or equipment is not reimbursable. The purchase of moving supplies, such as packing paper, boxes or cartons, may be reimbursed with appropriate receipts. The amount of such purchases must not exceed \$200. Gas used by a rental truck during the move is reimbursable with proper receipts.

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PROCEDURES (Continued)

300 Reimbursement Limitations (Continued)

301 Expenses Incurred and Supported (Continued)

Transportation of Household Goods and Personal Effects (Continued)

- **Labor used during the move** - reimbursement is limited to a reasonable hourly wage with the maximum total being \$250. Labor provided by the employee or immediate family member(s) is not reimbursable. A receipt from the individual employed, with amount paid and signature, must be attached to the reimbursement request.
- **Mileage** - if a personally-owned or borrowed moving vehicle is used in the move, reimbursement will be allowed at the mileage rate specified in the current Appropriation Act, provided that the number of miles is recorded on the voucher. Reimbursement will not be allowed to cover the "rental value" of the personally-owned vehicle. A car or truck with a trailer in tow will also be reimbursed at the mileage rate specified in the current Appropriation Act.
- **Tolls** paid during the move are reimbursable provided the name of the facility (road, bridge, tunnel) is provided.

Storage of Household Goods and Personal Effects

The expense for a maximum of thirty (30) days temporary (in-transit) storage of household goods is reimbursable if the employee cannot move directly into the new residence. This amount is not included in the \$11,000 limitation (see Subsection 302, "Total Reimbursement.")

Home Purchase

Expenses related to the purchase of a replacement home, which is the primary residence, are reimbursable for the specific items listed below and are subject to the maximum limitation for all moving and relocation expenses of \$11,000. In order to qualify for this reimbursement, the relocated employee must have owned a primary residence at his prior location, which due to relocation resulted in disposal of the residence. This reimbursement is not allowed for the purchase of a second residence, investment property, business property, or resort/vacation property at the new work site. **The following expenses related to a home purchase are reimbursable:**

- VA funding fee;
- Loan origination fee, or lease processing fee;
- Mortgage survey;
- Appraisal fee;
- Credit report;
- Title search;
- Recording fee;
- Title Insurance;
- Attorney fee;
- Home Inspection (Limit 1); and,
- Notary fees.

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PROCEDURES (Continued)

300 Reimbursement Limitations (Continued)

301 Expenses Incurred and Supported (Continued)

All of the above expenditures must be related to the purchase of the primary residence. Documentation clearly identifying these expenses is required. In order for the expenses related to a home purchase to be considered for reimbursement, the replacement of the prior primary residence, must be accomplished (closed) within twelve (12) months after the official starting date of employment.

Extenuating circumstances that result in the twelve (12) month period expiring prior to the purchase (closing) of a replacement home may be approved by the Agency head or designee for up to an additional 12 months. Extensions after this period may be presented to the State Comptroller for review. This review may result in an extension being granted if warranted.

Costs related to the purchase and replacement of a primary residence not specifically listed above are not reimbursable. Examples of some expenses that are not reimbursable, under Subsection 301, "Expenses Incurred and Supported," are as follows:

- Utility deposits and/or connection fees;
- Real estate taxes, prepaid or otherwise;
- Capital gains taxes;
- Mortgage loan differential;
- Realtor fees related to purchasing;
- Remodeling or decoration expenses;
- Points, discount fees, or loan payment charges;
- Repair and maintenance costs;
- Homeowner insurance;
- Homeowner warranty fees;
- Private mortgage insurance;
- Permit fees such as building, sewer, and zoning; and,
- Deposit for rent.

Non-Reimbursable Expenses

Costs related to moving and relocation not specifically allowed in these regulations are not reimbursable. The following expense items shall not be considered as valid moving and relocation expenses and will not be reimbursable:

- Insurance in excess of bulk rate coverage provided by the Common Carrier;
- The cost to transport recreation vehicles such as yachts;
- Laundry or dry cleaning while in temporary quarters; and,
- The cost to move a pet.

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PROCEDURES (Continued)

300 Reimbursement Limitations (Continued)

302 Total Reimbursement

The total dollar limit of \$11,000 for gross reimbursement for all expenses other than for transportation and storage of household goods has been established. This includes all gross reimbursements (i.e., actual reimbursements received by the employee and paid to third parties on behalf of the employee) including any necessary employee payroll taxes paid related to these reimbursements. A maximum limit is not placed on expense reimbursement or costs related to use of a common carrier for transportation and storage. However, these expenses must be reasonable and necessary in order to be approved for reimbursement by the State Comptroller.

303 Employee's Spouse

If the employee's spouse is a State employee and otherwise eligible for moving and relocation expenses, reimbursement of any such expenses will be paid to only one employee and only to move the primary household to the new location.

304 Funding

Disbursements for reimbursable moving and relocation expenses and related taxes, if any, must be funded from monies within the employing agency's budget.

305 Prospective Employment

Any expenditures for travel, testing, interviewing, and related activities incurred by or for a prospective employee before the applicant has accepted the employment offer are termed pre-employment expenses and are not considered moving and relocation expenses.

Travel expenses of prospective employees, incidental to an employment interview, may be reimbursed by an agency. Such pre-employment expenses will be reimbursed separately pursuant to instructions for submitting a Travel Expenses Reimbursement Voucher, and in accordance with CAPP Topic No. 20335, "State Travel Regulations," in effect at the time such expenses are incurred.

306 Mileage

Reimbursement for mileage may not exceed the mileage rate established in the current Appropriation Act in effect at the time of travel. All mileage reimbursements over the amount allowed by IRS as a deduction are taxable.

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PROCEDURES (Continued)

300 Reimbursement Limitations (Continued)

307 Employment Tenure Agreement

Any employee to be compensated for moving and relocation expenses, except where the original relocation resulted from a transfer required by the agency, must execute an employment tenure agreement with the employing agency before any such expenses are incurred. The agreement will stipulate that: (1) The employee must remain employed on a regular, full-time basis in State service for at least one year, commencing on the date which the employee starts work at the new location; (2) If the employee terminates State employment before the obligated one year of service, the employee will refund to the Commonwealth the gross amount of moving and relocation reimbursements (i.e., actual reimbursements received by employee and paid to third parties on the employee's behalf plus all taxes deducted that relate to those reimbursements); (3) Repayment will not be required if the original relocation resulted from a transfer required by the agency, or if the employee is terminated at the election of the agency due to unsatisfactory job performance (but termination for standards of conduct violations shall not be deemed unsatisfactory job performance), or as a result of layoff; and (4) Repayment may be prorated or waived if State employment is terminated for other reasons beyond the employee's control and found to be acceptable by the employing agency.

The employee must sign a separate employment tenure agreement for each move for which the employee is eligible for moving and relocation expense reimbursement. If the employee is transferred to another work location in the State service before the contracted period has elapsed, the remaining period(s) of employment obligation will carry forward to the new work location. That is, an employee's service obligations will apply to all unfulfilled periods specified in any outstanding tenure agreement. However, all tenure agreements terminate twelve (12) months after the related employment date. Therefore, an employee does not have to complete a twelve (12) month tenure agreement before a second agreement begins.

Exceptions involving the early cancellation of an existing tenure agreement upon executing a new tenure agreement will be at the option of the agency or agencies involved.

A suggested Employment Tenure Agreement form is included as Exhibit B in these regulations. Although it is not required that a copy of this Agreement accompany requests for expense reimbursement, it is required that the signature date is referenced on the Moving and Relocation Expense Summary.

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PROCEDURES (Continued)

300 Reimbursement Limitations (Continued)

308 Reimbursement Procedures

Reimbursement to employees for moving and relocation expenses may not be made on an Accounting Voucher, travel voucher, or petty cash voucher. Reimbursements made directly to the employee must be made through the special payroll process. Procedures for this process can be found in CAPP Topic No. 50510, "Special Payments."

All reimbursements for lodging, meals, and mileage must, however, be actual, reasonable, necessary, and within the guidelines of CAPP Topic No. 20335, "State Travel Regulations," where applicable. Also, supporting documentation by way of receipts and detailed listings of charges are required in accordance with CAPP Topic No. 20335, "State Travel Regulations," and must be attached to the special payroll when submitted to the Department of Accounts for processing. As an aid to documentation, a travel voucher must be used to itemize expenses and then be attached to the payroll submission as supporting documentation. It may not, however, be submitted as a voucher for payment.

A copy of form DA-02-182, Moving and Relocation Expense Summary, must be properly completed and attached, along with required receipts and detailed back-up, to the back of each special payroll being submitted to DOA's Payroll Section. (See Exhibit A.)

Third-party payments on an Accounting Voucher, Form DA-20-250, may only be made to common carriers for transportation of the employee's household goods and personal effects from the former residence to the residence at the new work location or for temporary storage of employee's household goods up to thirty (30) days if an employee cannot move into his new residence. No other third-party payments can be made for moving and relocation expenses. A copy of form DA-02-182, Moving and Relocation Expense Summary, must be properly completed and attached, along with required invoices, to the back of each voucher being submitted. An adjustment to the employee's year-to-date gross pay must be made for each third-party reimbursement. Follow your agency's normal payroll adjustment procedures.

309 Approvals and Exceptions

All moving and relocation expenses to be reimbursed for employees must be approved in writing by the Agency Head. All claims by presidents of community colleges must be approved by the community college Chancellor. Claims by presidents of colleges and universities must be approved by the Secretary of Education. All claims made by Gubernatorial Appointees must be approved by the appropriate Governor's Secretary. Secretaries' expenses must be approved by the Governor or his/her designee.

The Agency head or designee may grant a one-time extension of time limitation to each employee for claiming moving and relocation expenses of up to 12 months. The State Comptroller may approve exceptions regarding extensions for filing for reimbursements for distance requirements and additional extensions to time limitations and any moving and relocation policy contained herein, except those related to maximum dollar amount. Exceptions for higher dollar amount or reimbursements require the approval of the appropriate Governor's Secretary. (See Subsection 302, "Total Reimbursement," regarding the reimbursement limits for which exceptions may be requested.)

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PROCEDURES (Continued)

400 Reimbursement Responsibilities

401 Employee Responsibilities

- Each employee eligible for moving and relocation expense reimbursement is responsible for obtaining original receipts and other documents that are necessary to support all claims for reimbursement. Each designated category of reimbursement expenses should be itemized and submitted for payment within thirty (30) days after the last expenditure is made or the last invoice is received for expenses in a given category. All claims for payment should be submitted within thirty (30) days after the employee moves into the new permanent residence, but in no case later than twelve (12) months after beginning employment at the new location, unless an extension is granted.
- All expenses submitted for reimbursement must be actual, reasonable, necessary, and within the guidelines of these regulations.
- If the employee does not fulfill the twelve month employment term specified by the tenure agreement, the total gross amount of reimbursements received by the employee and paid to third parties on behalf of the employee, plus all taxes deducted that relate to those reimbursements must be refunded. Under these circumstances, the employee's gross income for tax purposes will be adjusted by the agency for the total amount refunded to the agency.

402 Agency Responsibilities

- The hiring agency reviews, approves, and properly files all vouchers and invoices claiming reimbursement or payment of moving and relocation expenses subject to these regulations and pursuant to the Code of Virginia, Sections 2.1-223.3 and 14.1-5.1.
- Agency management must be able to substantiate the reimbursement eligibility of a new employee as a condition of employment and must retain copies of binding employment tenure and other agreements for all eligible employees (see Exhibit B).
- If an employee does not satisfy the terms of the tenure agreement, the agency must collect the total gross amount of all moving and relocation reimbursements made to that employee unless proper approval has been granted to prorate or waive repayment. This includes all reimbursement paid to the employee and third parties on behalf of the employee plus all taxes deducted that relate to those reimbursements. The employee's gross income must then be adjusted to reflect the total amount received by the agency.
- Payments to common carriers (commercial moving companies) for actual carrier transportation and/or up to thirty (30) days storage can be made through an Accounting Voucher by the agency. No other third-party payments may be made for moving and relocation expenses. All other payments must be made directly through the payroll process. Travel vouchers will no longer be accepted for moving and relocation expense reimbursements, although they are required as a method of documenting travel related expenses.
- Each agency must take steps necessary to account for moving and relocation expense reimbursements and payments to meet both employer withholding and employee reporting of gross income and applicable payroll taxes as defined by the Internal Revenue Service. See Subsection 700, "Qualified Moving Expenses."

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PROCEDURES (Continued)

500 Expense Reporting

501 Expense Summary Submission

The Moving and Relocation Expense Summary, Form DA-02-182, must be submitted with each claim for reimbursement or request for payment of moving and relocation expenses, along with all required receipts. This form should be initiated by the employee, who should always be aware of the status of all expense claims and payments. The forms must be numbered consecutively and the cumulative totals carried forward to the next report so that the latest summary reflects the aggregate reimbursement to date.

Authorized agency officers must review and the agency head must approve all summary reports. A sufficient number of copies of each summary report and supporting documentation must be retained by the employee and agency for both employee and employer income tax reporting. The agency must attach the original of each summary report with all supporting original receipts and other documents to the applicable payroll or voucher being submitted to the DOA for payment.

502 Expense Summary Preparation

The following are detailed instructions and procedures for preparing the Moving and Relocation Expense Summary. The numbered items below correspond with the numbers in brackets on the attached sample form (Exhibit A). Moving and Relocation Expense summary, Form DA-02-182, should be attach to the back of the related payroll or Accounting Voucher being submitted.

TO BE COMPLETED BY EMPLOYEE (Steps 1 thru 25):

1. **Agency Code:** Enter the name of the agency, agency code, commission, division, department, or institution for which you were employed as of the effective date of assignment or transfer.
2. **Reimbursement Number:** Enter the next consecutive number for this summary report. For each reimbursement, a summary report must be completed and numbered in consecutive order.
3. **This Is Final Reimbursement:** Check "yes" or "no", as appropriate, whether this is or is not the final summary report.
4. **Employee Name:** Enter your full name.
5. **Social Security Number:** Enter your individual social security number.
6. **Address:** If known at the time this summary report is being submitted, enter the address (Street, City, State, and Zip Code) of your new residence.
7. **Date Employed:** Enter effective date that the employee was assigned or transferred to the above agency at the new work location. Usually this is the first day of work at the new location.
8. **Date Tenure Agreement Signed:** Enter date tenure agreement was signed.
9. **Number of Trips:** Enter the number of househunting trips connected with this move.

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PROCEDURES (Continued)

500 Expense Reporting (Continued)

502 Expense Summary Preparation (Continued)

10. **Number of Nights:** Enter the number of overnight stays due to househunting.
11. **Total This Report:** For each category enter the gross amount of expenses. This total must agree to the related gross amount entered as the payroll or total voucher amount being submitted for reimbursement. Attach form DA-02-182 behind the payroll voucher or vendor's invoice being submitted for payment.
12. **Total All Prior Reimbursements:** For each applicable category claimed on all prior summary submissions, enter the gross amount claimed (net amount received plus applicable taxes, if any).
13. **Cumulative Total:** For each category add "Total Prior Requirements" to "Total This Report" and enter the cumulative total. These cumulative totals are to be carried forward to the next summary report.
14. **Dates: From and To:** Enter the starting and ending dates of the temporary quarters period for which reimbursement is requested on this report.
15. **Total Meal Payments for Pre-Move Househunting and Temporary Quarters:** Enter the meal cost associated with the pre-move househunting and temporary quarters move.
16. **Total Meal Payments Incurred During Travel from Old to New Home:** Enter the meal cost associated with travel from old to new home.
17. **Dates: From and To:** Enter the starting and ending dates of the common carrier storage period for which reimbursement is requested on this report.
18. **Dates: From and To:** Enter the starting and ending dates of the non-common carrier storage period for which reimbursement is requested on this report.
19. **Qualified Expenses of Buying a Home:** Enter only those expenses which are reimbursable per Subsection 301, "Home Purchase," that are associated with this move.
20. **Qualified Expenses of Selling Old Home:** Enter only those expenses which are reimbursable per Subsection 301, "Home Sale," that are associated with this move.
21. **Other Payments (Specify on an Attached Sheet):** Enter any other payments which are subject to reimbursement per the guidelines set forth in this section that are associated with the move.
22. **Subtotal of Taxable Expenses:** Enter the subtotal of taxable expenses in each column.
23. **Transportation - Common Carrier:** Enter the expenses for common carrier transportation of the employee's household goods and personal effects from the former principal residence to the new work location.
24. **Transportation Other than Common Carrier:** Enter the expenses for moving vehicle rental for the employee's household goods and personal effects from the former principal residence to the new work location.

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PROCEDURES (Continued)

500 Expense Reporting (Continued)

501 Expense Summary Submission (Continued)

25. **Travel and Lodging Payments Excluding Meals:** Enter the costs of travel and lodging payments excluding meals from old to new home.
26. **Subtotal of Non-Taxable Expenses:** Enter the subtotal of non-taxable expenses in each column.
27. **Grand Total:** Enter the grand total of all taxable and non-taxable moving and relocation expenses in each column.
28. **Signature of Employee:** Employee (listed in item 4) must sign in ink certifying that the information is correct and conforms with any expenses reimbursement agreement.
29. **Date:** Enter submission date.
30. **Signature of Agency Head and Date:** The Agency Head or designee must sign and date for agency employees. The appropriate Governor's Secretary must sign and date for gubernatorial appointees. Also print name and title of the person signing in this space.
31. **Print Name and Title:** Enter the printed name and title of person signing this form.

For your convenience, a blank copy of the Moving and Relocation Expense Summary is included in these regulations. This blank form may be reproduced, as necessary, at each agency and used for the submission of moving and relocation expenses for which reimbursement is requested.

600 IRS Reporting

Applicable Federal and State laws require certain reimbursements to relocated employees to be included in the employee's gross income, and certain relocation expenses to be excluded. **Expenses which constitute qualified moving expense reimbursements under Federal guidelines should not be considered as taxable income.** Expenses which are not qualified are taxable and should be included in the employee's W-2 tax withholding statement. Each employee is ultimately responsible for the proper reporting and tax treatment of any reimbursements to the IRS for each tax year.

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PROCEDURES (Continued)

700 Qualified Moving Expenses

This subsection is included only to provide general information on the possible tax treatment of the reimbursements/payments received as a result of relocation. It is recommended that the employee consult a tax advisor or devote personal time to a detailed review of tax regulations to determine the effect on personal income tax liability. Additionally, IRS publication 521, "Moving Expenses," is available upon request from the IRS.

Based on the passage of the 1993 Revenue Reconciliation Act, the moving expense deduction has been modified for expenses incurred **after December 31, 1993**. Under the new tax law, "moving expenses" are defined as the reasonable costs of (1) moving household goods and personal effects from the former residence to the new residence (this includes common carrier), and (2) traveling (including lodging during the period of travel) from the former residence to the new place of residence. Qualified moving expenses **do not** include any expenses for meals.

The following expenses do not constitute qualified moving expenses under Federal guidelines:

- The cost of pre-move house hunting trips;
- The cost of temporary living expenses in the general location of the new job; and,
- The cost of selling or settling an un-expired lease on the former residence or the cost of buying a new residence.

Qualified moving expense **are excludable** from gross income and wages for income and employment tax purposes to the extent paid for by the agency or institution. **The reimbursement of expenses which do not constitute qualified moving expenses reimbursements under the IRS guidelines must be added to the employee's income as taxable income with the appropriate Federal and State income taxes withheld.**

800 Summary of Moving and Relocation Expense Reimbursement Limitations

1. Total Reimbursement **\$11,000**

Maximum reimbursement is limited to \$11,000, **excluding** the costs of common carrier transportation, and storage of household goods and personal effects.

2. Househunting Expenses

Househunting expenses are subject to CAPP Topic No. 20335, "State Travel Regulations," limits for meals and lodging, and are included in the maximum reimbursement of \$11,000.

3. Temporary Quarters

Temporary quarters are subject to CAPP Topic No. 20335, "State Travel Regulations," limits for meals and lodging, and are included in the maximum reimbursement of \$11,000.

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PROCEDURES (Continued)

800 Summary of Moving and Relocation Expense Reimbursement Limitations (Continued)

4. Home Sale

Home sale expenses are included in the maximum reimbursement of \$11,000.

5. Transportation of Household Goods and Personal Effects **No Limit**

If the new employee uses common carrier transportation, the amount of actual costs is allowed in addition to the maximum reimbursement of \$11,000.

6. Purchase of Moving Supplies **\$200**

Purchase of Moving Supplies is included in the maximum reimbursement of \$11,000.

7. Labor Used During Move **\$250**

Labor used during the move is included in the maximum reimbursement of \$11,000.

8. Storage of Household Goods and Personal Effects **No Limit**

In-transit storage of household goods is reimbursable. The amount of actual costs is allowed in addition to the maximum reimbursement of \$11,000.

9. Home Purchase

Home purchase expenses are included in the maximum reimbursement of \$11,000.

INTERNAL CONTROL

Appointed authorities may adopt rules, policies, and procedures, not in conflict with these regulations, as seem necessary to properly administer these regulations in their agencies. Agency rules, policies, and procedures should be submitted to the State Comptroller for review before becoming effective to ensure consistency with these regulations. Procedures to include moving and relocation reimbursements and related taxes, if any, in the employee's payroll records can be found in CAPP Topic No. 50510, "Special Payments."

RECORDS RETENTION

Not applicable.

DOA CONTACTS

Manager, General Accounting

☎ (804) 225-2244

✉ gacct@doa.state.va.us

SUBJECT CROSS REFERENCES

CAPP Topic No. 20335, "State Travel Regulations"

CAPP Topic No. 50510, "Special Payments"

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EXHIBIT A - Moving & Relocation Expense Summary Form DA-02-182 (Sample)

EMPLOYEE MOVING AND RELOCATION EXPENSE INFORMATION

Agency Code: _____
 Reimbursement Number: _____ Is this the final reimbursement? Yes ____ No. ____
 Employee Name: _____ Social Security Number: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Date Employed: _____ Date Tenure agreement signed: _____

Type of Moving Expenses	Total This Report	Total All Prior Reimbursements	Cumulative Total
Taxable Expense:			
Pre-move travel and lodging payments excluding meals: Number of trips: _____ Number of Nights: _____			
Temporary quarters travel and lodging payments. From: _____ To: _____			
Total meal payments incurred during travel from old to new home			
Storage Common Carrier Date From: _____ To: _____			
Qualified expenses of buying a new home			
Qualified expenses of selling old home			
Other payments (Specify on an attached sheet)			
Subtotal Taxable Expenses			
Non-Taxable Expenses			
Transportation - Common Carrier			
Transportation other than Common Carrier (moving vehicle rental)			
Travel and lodging payments excluding meals for move from old to new home			
Subtotal Non-Taxable Expenses			
Grand Total			

Certification Statements:

I certify that the expenses were incurred by me while moving and relocating at the request of the above cited agency of the Commonwealth of Virginia.

Signature of Employee: _____ Date: _____

I certify that the expenses were incurred in an employee relocation requested by the Commonwealth of Virginia and do not exceed the requirements set forth in the DOA moving and relocation expense regulations. Written approval for reimbursement above normal established limits is attached.

Signature of Agency Head: _____ Date: _____
 Print Name: _____ Title: _____

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EXHIBIT B

TENURE AGREEMENT

This is an agreement entered on _____ for the payment of employee moving and relocation expenses of _____ who has accepted employment with the _____.

1. In order to assist the Employee in meeting the extraordinary expenses of moving and relocation and as a further inducement to accept employment, the Department agrees to reimburse the Employee for moving and relocation expenses in accordance with the Commonwealth of Virginia Moving and Relocation Regulations issued by the Office of the Comptroller in effect on the date of this agreement.
2. In consideration of the Department's offer to reimburse moving and relocation expenses, the Employee agrees to remain in the employ of the Department of period of twelve (12) months beginning _____.
3. The Employee further agrees that in the event the Employee does not remain in the employ of the Department as a full-time employee for the full twelve-month period, that the Employee will repay to the Department the gross reimbursement for moving and relocation expenses, including actual money plus related payroll taxes withheld by the Department, whether received directly by the Employee or paid to third parties on the Employee's behalf. The amount to be repaid shall be prorated on a monthly basis such that for each full month during which the Employee remained in the employ of the Department, the amount to be repaid shall be reduced by one-twelfth (1/12) of the gross reimbursement. The Department, in its sole discretion and with the recommendation of the Agency Head, may waive repayment if the Employee is separated for reasons beyond the Employee's control, but termination for standards of conduct violations shall not be deemed to be a reason beyond the Employee's control. Repayment will not be required if termination at the election of the agency due to unsatisfactory job performance or as a result of a layoff.

In witness to this agreement, the parties execute their acceptance of its terms by affixing their signatures below.

Employee _____

For the Department _____

Date _____

BLANK FORMS

EMPLOYEE MOVING AND RELOCATION EXPENSE INFORMATION

Agency Code: _____
Reimbursement Number: _____ Is this the final reimbursement? Yes ____ No. ____
Employee Name: _____ Social Security Number: _____
Address: _____
City: _____ State: _____ Zip: _____
Date Employed: _____ Date Tenure agreement signed: _____

Type of Moving Expenses	Total This Report	Total All Prior Reimbursements	Cumulative Total
Taxable Expense:			
Pre-move travel and lodging payments excluding meals: Number of trips: _____ Number of Nights: _____			
Temporary quarters travel and lodging payments. From: _____ To: _____			
Total meal payments incurred during travel from old to new home			
Storage Common Carrier Date From: _____ To: _____			
Qualified expenses of buying a new home			
Qualified expenses of selling old home			
Other payments (Specify on an attached sheet)			
Subtotal Taxable Expenses			
Non-Taxable Expenses			
Transportation - Common Carrier			
Transportation other than Common Carrier (moving vehicle rental)			
Travel and lodging payments excluding meals for move from old to new home			
Subtotal Non-Taxable Expenses			
Grand Total			

Certification Statements:

I certify that the expenses were incurred by me while moving and relocating at the request of the above cited agency of the Commonwealth of Virginia.

Signature of Employee: _____ **Date:** _____

I certify that the expenses were incurred in an employee relocation requested by the Commonwealth of Virginia and do not exceed the requirements set forth in the DOA moving and relocation expense regulations. Written approval for reimbursement above normal established limits is attached.

Signature of Agency Head: _____ **Date:** _____

Print Name: _____ **Title:** _____

TENURE AGREEMENT

This is an agreement entered on _____ for the payment of employee moving and relocation expenses of _____ who has accepted employment with the _____.

1. In order to assist the Employee in meeting the extraordinary expenses of moving and relocation and as a further inducement to accept employment, the Department agrees to reimburse the Employee for moving and relocation expenses in accordance with the Commonwealth of Virginia Moving and Relocation Regulations issued by the Office of the Comptroller in effect on the date of this agreement.
2. In consideration of the Department's offer to reimburse moving and relocation expenses, the Employee agrees to remain in the employ of the Department of period of twelve (12) months beginning _____.
3. The Employee further agrees that in the event the Employee does not remain in the employ of the Department as a full-time employee for the full twelve-month period, that the Employee will repay to the Department the gross reimbursement for moving and relocation expenses, including actual money plus related payroll taxes withheld by the Department, whether received directly by the Employee or paid to third parties on the Employee's behalf. The amount to be repaid shall be prorated on a monthly basis such that for each full month during which the Employee remained in the employ of the Department, the amount to be repaid shall be reduced by one-twelfth (1/12) of the gross reimbursement. The Department, in its sole discretion and with the recommendation of the Agency Head, may waive repayment if the Employee is separated for reasons beyond the Employee's control, but termination for standards of conduct violations shall not be deemed to be a reason beyond the Employee's control. Repayment will not be required if termination at the election of the agency due to unsatisfactory job performance or as a result of a layoff.

In witness to this agreement, the parties execute their acceptance of its terms by affixing their signatures below.

Employee _____

For the Department _____

Date _____